Province of
Newfoundland

Speech from the Throne

March 12, 1984

SPEECH FROM THE THRONE

Delivered at the Opening
of
The Third Session
of The Thirty-Ninth General Assembly
of the Province of Newfoundland

Monday, March 12, 1984

by
His Honour
The Honourable W. Anthony Paddon, C.M., M.D.
Lieutenant-Governor

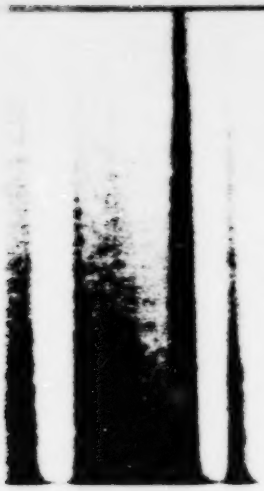
Mr. Speaker and Members of the Honourable House of Assembly:

It is my privilege and pleasure to welcome you to this Third Session of the Thirty-ninth General Assembly of the Province of Newfoundland.

This year the Province will observe a significant landmark in its history. My Government shares the joy of the people of the Province in marking the 200th. Anniversary of the official establishment of the Roman Catholic Church in Newfoundland.

Newfoundlanders and Labradorians of all faiths congratulate the Roman Catholic hierarchy and people and look forward to sharing with them the Anniversary Celebration. Furthermore, my Government is pleased to note that His Holiness Pope John Paul II will be visiting the Province during his tour of Canada and participating in these celebrations. My Government shares in the joy of the people of the Province and extends a warm welcome to His Holiness.

Throughout our history the people of Newfoundland have been indebted to all of the Churches for the contribution they have made to health, education and the general uplifting of our people. In an age where traditional values are too frequently obscured, it is beneficial from time to time to pay tribute to the selfless dedication of men and women of God of all Churches.



Mr. Speaker and Members of the Honourable House of Assembly:

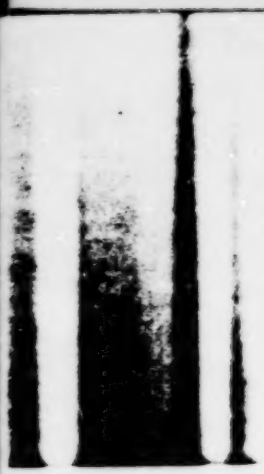
During this past year the Province has experienced arduous and difficult times. In 1983, the effects of the international and national recession were forcefully felt provincially. While one hears references to national economic recovery, the effects of the recession still reverberate throughout Newfoundland and Labrador. This Province has been historically vulnerable to downturns in the national economy, being the first to suffer and the last to recover.

This will continue so long as our Province is deprived of the right to exercise control over its resources comparable to the rights exercised by our sister Provinces. When one Province does not enjoy the same basic rights to manage its resources as are exercised by other Provinces, inevitably it will always lag behind.

My Government does not view equalization and transfer payments as a natural necessity or an inevitable fate for Newfoundlanders and Labradorians. Consequently, my Government remains resolute and determined to gain the right to control its resources.

Meanwhile, my Government must squarely face the economic conditions which confront the Province. My Ministry is proud of the degree to which it has been able to respond to the social needs of the people, in spite of the meager financial resources available. In the fields of Education, Health and Social Services, expenditures have accelerated by some $456 million over the past four years. This represents an increase of 62 per cent over expenditures made for these services in 1980.

A dramatic example of Government's dedication to the social needs of our people has been the inauguration of Grade 12 and the reorganized high school program. As important as are the natural resources of the Province, in the final analysis the quality of our human resources will be a significant factor in deter-



mining the Province's long term future. The first year of the Grade 12 program has been embarked upon. Nine thousand of our young men and women are benefiting from an additional year of secondary education. My Government is aware that the establishment of Grade 12, and the restructuring of the high school program, were initially met with a certain amount of skepticism. To date, this program has been highly successful and will significantly improve the quality of secondary education for our Province's youth.

The reality of our financial situation precludes establishment of new programs until such time as economic conditions improve, and until we attain the rights to our resources within the Canadian Confederation. In the meantime, we must continue to exercise a responsible and realistic stewardship over the resources at our disposal.

To this end, my Government is very pleased to have received, in timely fashion, the report of the Royal Commission on Hospital and Nursing Home Costs. The recommendations of this Commission will be brought before this Honourable House and Members will be invited to address them and their means of implementation.

Mr. Speaker and Members of the Honourable House of Assembly:

Over the past year, three particular occurrences have tended to place additional strains on the Province's economy—problems in the fishery, forestry and mining industries.

In 1983, the Province was confronted with a crisis in the fishing industry. Because of a variety of factors, the major offshore fishing companies were unable to continue operations without considerable financial assistance. This has resulted in the restructuring of the Offshore Fishing Industry.

From the beginning, my Government made it crystal clear that it was unwiiling to accept an arrangement which would have resulted in the death of many of our rural communities. Many of these communities would have ceased to exist if the original proposals had been accepted. My Government viewed these proposals to be tantamount to reinstitution of the resettlement program. The people of this Province are well aware of the misery caused by such a callous program.

Therefore, my Government successfully negotiated a different Agreement with the Federal Government—an Agreement which recognized the priorities and rights of rural Newfoundland. This Honourable House ratified this Agreement during the last Session. My Government is proceeding with all diligence to implement the Agreement. In these difficult times, Governments, Industry and Union must realize the necessity to cooperate. A failure to act responsibly could well jeopardize implementation of the Agreement and adversely affect the many families whose livelihoods depend upon the fishery.

While the Restructuring Agreement deals primarily with the establishment of the new fishing company, it also makes provision for the attainment of four important policy objectives. One is the establishment of a multi-million dollar Burin Peninsula Development Fund to help diversify the economic base of the Burin Peninsula. This process has already started and assistance has been requested for the proposed reactivation of the fluorspar mine in St. Lawrence. The second objective relates to the northern areas of our Province, especially Coastal Labrador, through the creation of a Northern Fisheries Development Corporation. This is intended to place and maintain the fishery in that area on a sound and stable basis.

In meeting a third policy objective, this Restructuring Agreement also creates a Resource Utilization Task Force to assess the amount of fish available to Newfoundland fishermen and processing plants. In particular, this Task Force will address the availability of fish to ensure continued plant operations on the Burin

Peninsula. Furthermore, the Agreement provides an important mechanism whereby independent fish processors will be able to market their product through the consolidated marketing arm of the new company. This represents a fundamental improvement in the marketing arrangements available to the Newfoundland fishing industry. Successful realization of this fourth policy objective will serve to benefit the full industry, large operators and small, in penetrating new markets and in weathering cyclical downturns.

Mr. Speaker and Members of the Honourable House of Assembly:

Another strain on the Provincial economy occurred in Labrador West where over twelve hundred workers were laid off by the mining companies during the past two years. In response, my Government appointed a Task Force charged with the responsibility for seeking ways to alleviate the financial difficulties of those who lost their jobs. This Task Force has reported back, and my Government was pleased to implement all of its recommendations and looks forward to an equally positive response from the employers and the Federal Government.

In the meantime, my Ministry is in very close contact with the companies concerned and is monitoring their ongoing operations very carefully. In the short term, it would appear that the situation has now stabilized. In the long term, my Government is committed to promoting further economic development for this very important region of our Province.

Mr. Speaker and Members of the Honourable House of Assembly:

In 1983, my Government shared the dismay of the people of Corner Brook and all of the West Coast, brought about by the decision of Bowater to sell its Newfoundland assets. Negotiations commenced immediately with the Company

with a view to reversal of that decision and then with the aim of preparing a divestiture proposal in an effort to attract another operator for the mill. My Government, in co-operation with the Government of Canada and Bowater, is assiduously pursuing these efforts. My Ministers reaffirm their confidence in the future of the Province's second city and assure residents of Corner Brook and the West Coast that every reasonable effort will be made to revitalize their economy.

Mr. Speaker and Members of the Honourable House of Assembly:

A resolution of offshore and hydro issues would go a long way toward placing this Province in the position to respond creatively and effectively to such serious economic strains. My Government has once again to emphasize the difficulty of any provincial government in dealing with such problems when it is denied control of its resources and a rightful measure of the fruits therefrom.

On Thursday last the Supreme Court of Canada rendered its decision on the question brought before it by the Government of Canada of ownership of mineral resources on our Continental Shelf. The position of my Government has consistently been that this question is one for political resolution rather than a legal determination.

The result of that decision places this Province in the untenable position of inequality with our sister Provinces with respect to those very resources which we brought with us into the Canadian Confederation. This inequity must be redressed. Where the application of law as interpreted by the judiciary results in an inequality, people must look to parliaments or legislatures to redress that inequality. All must be equal before the law and laws can be changed to ensure equality of all Canadians.

My Government is determined, on behalf of the people of Newfoundland and Labrador, to look to the Parliament of Canada to take steps to give this Province the same rights with respect to the resources which it brought to the Canadian Confederation as were given to Alberta, Saskatchewan and Manitoba in 1930 by the Parliament of Canada.

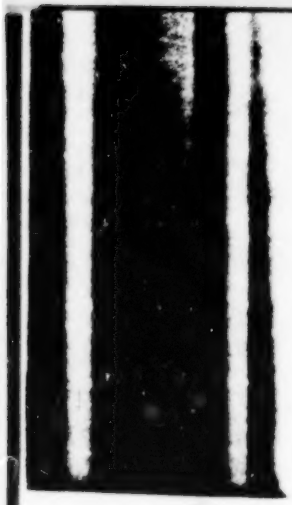
In the meantime, my Government remains convinced that an offshore agreement which is fair and equitable to Canada and to this Province can be achieved. Both as Canadians and Newfoundlanders we continue to give the highest priority to the realization of such an agreement. An offshore agreement which recognizes the legitimate rights of both the Federal and Provincial Governments will result from an act of political will on both sides. Traditionally, this kind of matter has been settled in Canada by negotiation, not by litigation. My Government is convinced that this is the way Confederation is intended to work and remains confident that a negotiated agreement will be achieved.

Such a negotiated agreement is and will remain a practical necessity for the joint development of our offshore resources to achieve a fair distribution of the benefits which will accrue to Canada in general and to the Province in particular.

At the same time, my Government is continuing its attempt to obtain fairness and equity from the Upper Churchill power contract. My Government is now engaged in sensitive negotiations with the Province of Quebec in an attempt to resolve this long-standing issue.

Mr. Speaker and Members of the Honourable House of Assembly:

When the previous operator of the fluorspar mine at St. Lawrence suspended operations, my Government proceeded to reclaim full rights to the minerals and, at the appropriate time, to seek a new operator.



My Government is pleased with the interest which has been demonstrated by the British mining firm, Minworth Corporation, to re-open the St. Lawrence fluorspar mine and to establish a milling operation. No group of people could be more deserving of this development than the residents of St. Lawrence, who have suffered great economic and human hardship. The new mine and milling operation would create up to 150 direct jobs.

Another example of the ability of my Government to have meaningful input in the development of the Province for the benefit of its people is the reactivation of the asbestos mine operated in Baie Verte.

When conditions appeared very bleak for that area of the Province, my Government moved to reclaim the assets and provided financial assistance, along with the Government of Canada, in order to permit a new owner to revitalize its operations. As a result, the mine has reopened and now provides 300 jobs to the people of the Baie Verte Peninsula.

My Government points to these successes and expresses confidence that similar happy resolutions will come to pass in other areas of our Province which have been besieged by the effect of the national and international recession.

Mr. Speaker and Members of the Honourable House of Assembly:

During recessionary cycles, Governments strive to lessen the impact of decreased private investment by expenditures of public funds on projects which are labour intensive. In the recent economic downturn, the Province has responded with substantial expenditures for such public projects as the hydro development at Cat Arm, hospital construction at Port aux Basques and Clarenville, and the Confederation Building extension in St. John's. These initiatives have not only improved the level of public services but have provided much needed employment.

In addition, the implementation of the local preference policy has contributed significantly to the maximization of economic benefits to our people and the Province. To the extent of the Province's authority to enforce local preference, this policy will continue and my Government will remain unstinted in its efforts to ensure that our people and local businesses benefit from development.

At the same time, my Government is concerned with the difficulty in concluding regional development agreements with the Government of Canada. The loss of public funding from this source has further aggravated the recession's impact. Last year only one agreement was signed and funding under the General Development Agreement fell to $40 million dollars below the level of funding during the 1979-1980 fiscal year.

My Government is pleased to note that difficulties experienced in concluding Federal-Provincial development agreements now appear to be on the threshold of being surmounted. In the immediate future the Province looks forward to concluding subsidiary agreements relating to Planning, Rural Development, Minerals and the Burin Peninsula Development Fund. In the short term, my Ministry expects to conclude similar agreements on Fisheries, Highways and Ocean Industry. My Government looks forward to the early conclusion of these agreements and to the enhanced spirit of cooperation which they will herald.

Mr. Speaker and Members of the Honourable House of Assembly:

Not only is it vital to control and manage our resources, it is also vitally important to nurture and to foster downstream development of these resources to the fullest possible extent.

During the term of this Administration, increased efforts have been made to identify new and innovative development opportunities in the area of aqua-

culture. My Ministers are pleased to advise this Honourable House that preliminary biological investigations indicate a potential for farming of salmonoids and certain shellfish species in selected areas of the Province. It is proposed to intensify this research in 1984 with a view to promotion of commercial aquacultural projects.

Extension of resource utilization is also an objective of this Administration. One example is the commencement of a program to encourage use of wood as fuel by industries and institutions within the Province. The feasibility has been demonstrated by the successful installation of a wood chip burning system at the James Peyton Memorial Hospital in Gander. A similar system has been approved for Newfoundland Hardwoods Limited at Clarenville. Government is investigating the feasibility of establishing a novel project in the Roddickton area for generation of electricity from wood chips. These and other potential projects demonstrate a commitment to new, imaginative and fullest utilization of our resources.

With the recovery of the United States of America from the recession and with other parts of Canada enjoying the advent of recovery, my Government looks forward to the strengthening of the tourism industry. The tourism industry is a high priority of this Province and is one of the sectors for which a Federal-Provincial Agreement is being sought. During this Session an integrated plan for this important industry will be unveiled, which will establish development objectives for tourism for the remainder of this decade.

Mr. Speaker and Members of the Honourable House of Assembly:

The preservation of our resources—indeed of our way of life—is very much linked to protection of our environment. My Government remains gravely concerned over the threat acid rain continues to pose. This has particular potential to cause inestimable damage to our Province's fresh water fishery and forestry

resources. Ours is a relatively undamaged ecosystem which must be protected. My Government fully supports the efforts of the Government of Canada to convince the Government of the United States of the need for action to be taken. The time for corrective actions is immediate and must not be postponed while further studies are undertaken. The Province will continue to advocate remedial action at meetings of the New England Governors and Eastern Premiers and to encourage the Government of Canada to pursue this urgent concern.

In addition, to avoid needless damage to our own environment, regulations will be made which will clearly set out the conditions to be met under the provisions of The Environmental Assessment Act. Monitoring and rehabilitation procedures for major development projects will be established. These procedures will make provision for the evaluation of environmental impact statements to ensure that the actual effects of a major development project are reasonably within the bounds of those predicted by the impact statement. They will also make clear to developers their responsibilities with respect to the reasonable restoration of the environment on completion or abandonment of major projects. Achieving the balance between development, preservation and restoration is essential if we are to maintain our almost pristine environment. It will be a delicate and difficult task but one which my Administration is determined to achieve.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government has initiated a dramatic increase in expenditures in the social sector of our society. The budgets of the Departments of Social Services and Health have risen by one hundred and forty-six per cent (146%) and sixty-five per cent (65%) respectively, over the last four years.

The large increases in expenditure by the Department of Social Services have been made purposely and constructively. The Employment Opportunities Program has enhanced the income and quality of life of many families and has funded many useful public services. It has also stabilized the number of social assistance recipients in our Province, at a time when every other Province has seen a dramatic increase in its caseload. Over the past two years, expenditures on the program have increased in response to the difficult economic times, and in future my Government will continue to promote meaningful employment creation activities through such programs.

The development of community-based services for disabled and elderly persons continues to be a priority of my Government. During the past year, the Children's Home in St. John's was closed and new community facilities were opened. These efforts to develop community-based services will continue as my Government feels very strongly that, whenever possible, mentally handicapped young people should not spend their lives in institutions. In addition, significant progress has been made in delivering support services for occupational training, recreation and social integration into the community.

In the field of Health, the past few years have seen a concerted effort to bring more adequate health services to all people of Newfoundland and Labrador. The new hospital for Channel-Port aux Basques has now been completed and will be opening shortly. The Clarenville and Bonavista hospitals are well in the course of construction. The ensuing year will see commencement of construction of a new hospital at Salt Pond to serve the Burin Peninsula, and planning will continue for redevelopment of the Central Newfoundland Hospital at Grand Falls. Pursuant to the recommendations of the Royal Commission on Hospital and Nursing Home Costs, a study will be undertaken to develop a comprehensive plan for the delivery of health care services in the St. John's Region.

My Government looks forward to completion of these projects and their incorporation into the general health care system of the Province. They will be vital institutions which will improve health care services, as my Government continues to rationalize delivery of such services using the valuable information contained in the Report of the Royal Commission on Hospital and Nursing Home Costs. It is our hope that the findings of that Commission will be effective in coping with rising health care costs while continuing to provide our people with the highest standard of service possible.

Mr. Speaker and Members of the Honourable House of Assembly:

The residential construction industry has experienced considerable difficulties in the recent past because of record interest rates. Due to the stabilization of mortgage lending rates and stimulation of construction by this Administration through the reduction of retail sales tax upon building materials, last year witnessed the commencement of recovery in this important industry. During the current year, a sustained and increased level of activity is anticipated from residential construction in the Province.

In the area of public housing, my Government will be focusing upon a number of priority items including upgrading of public housing and investigation of options for the better delivery of social housing programs. Negotiations with the Government of Canada will continue for extension of rehabilitation and repair programs to areas of the Province not yet designated for assistance.

Mr. Speaker and Members of the Honourable House of Assembly:

During this Session a number of legislative measures will be introduced for your consideration. The Report of The Select Committee on Elections, Controverted

Elections and Elections Financing for Members of the House of Assembly is being considered by Government, and a new Elections Act reflecting the deliberations of that Committee and the assessment of them by the Executive Council will be placed before you.

You will soon be asked to address the Report of the Newfoundland Electoral Districts Boundaries Commission. Appropriate legislative amendments will be introduced to give effect to this Report.

A new Judicature Act, representing the first substantial reform in this century of the rules and procedures of the courts, will be introduced for your consideration.

Additional reforms in the field of family law, incorporated in a new Act governing the reciprocal enforcement of maintenance orders, will be presented. The legislation will represent another thrust in the substantial reform of family law which commenced with passage of The Matrimonial Property Act in 1979 and which was one of the first acts of my Government.

My Government recognizes the need for greater participation by women in the senior ranks of the Public Service and in professional and managerial positions generally. My Government, conscious of both its role as chief employer in the Province and its commitment to represent males and females equally, will implement an affirmative action program for women. A number of efforts are planned in the short term, pending a full policy review of this area. One of the first efforts will be to launch an accelerated management development program for an identified group of women employees, with demonstrated potential for advancement.

Another significant effort will be to introduce in the Fall of 1984 a Career Education Kit into the 207 high schools across the Province. The kit is intended to provide information to young women to encourage them to explore various career options through which they can achieve their full potential.

Legislation will be placed before you to strengthen The Public Tender Act. These measures will be based mainly upon recommendations of the Commission of Inquiry into Purchasing Procedures of the Department of Public Works and Services.

Some time ago my Government announced that the Newfoundland and Labrador Award for Bravery would be established to honour those who show exemplary courage, and place themselves in peril while rendering assistance to persons in distress. Since that time, the award has been designed and minted. It is hoped that the first presentation ceremony will take place later this year. This Honourable House will be asked to consider enactment of The Bravery Award Act.

My Government considers it imperative to support cultural and artistic endeavours if we are to foster, nurture and develop our unique heritage. Promotion of artistic developments will continue through direct Government programs and support of the Newfoundland and Labrador Arts Council. My Ministry also intends taking measures to preserve our architectural heritage. Legislation will be placed before you to establish a Newfoundland and Labrador Heritage Foundation. This Foundation will be composed of members of the general public and will evaluate requests for registration of properties having architectural significance.

You will be asked to grant supply to Her Majesty and invited to examine the degree to which it responds to the social, cultural and economic needs of our people. In this, and in ensuing Sessions of this historic Assembly, you will also be invited to consider the means of increasing its measure so as to permit the people of this Province more fully to attain the Canadian standard of living.

Mr. Speaker and Members of the Honourable House of Assembly:

There is no doubt that the legitimate aims and aspirations of Newfoundlanders and Labradorians are in large measure linked with attainment of the rights to our

resources. The basic foundation of Canada rests upon the undisputed and inviolable right of control and management by each Province of its natural resources. My Government, therefore, holds steadfast that the Canadian principle of equality indisputably dictates that the Province of Newfoundland and Labrador must attain the measure of control over those bountiful resources which it brought with it into Confederation as are enjoyed by our sister Provinces over their resources. It becomes daily more self-evident that reclamation of these basic Provincial rights is an essential prerequisite if we are to ascend the ladder of Confederation.

My Government reaffirms its conviction that this Province will take its proper and rightful place as an equal partner in Canada only when the Canadian tradition of provincial ownership rights over its natural resources is recognized. My Ministry is confident that this must and will occur and recommits itself to the relentless pursuit of this basic Canadian right.

My Government takes the view that, because our fishery resources are fundamentally important to Newfoundland, the Province should have substantial rights to manage the fish stocks in our adjacent waters. Newfoundland has been seeking a constitutional amendment to provide for such Provincial management rights. The principal stock upon which the Northeast Coast is vitally dependent is the Northern cod stocks, which has been recovering gradually from serious overfishing. In view of the traditional rights of Newfoundland fishermen and the constitutional principle that the Provinces have a basic right with respect to our natural resources, my Ministers have adopted the position that the Northern cod must be managed in such a way as to optimize the benefits to Newfoundlanders and Labradorians. This longstanding position provides that the Northern cod stock should be allocated first to Newfoundland fishermen and plants and that only surplus stocks should be allocated to other Canadian fishing effort.

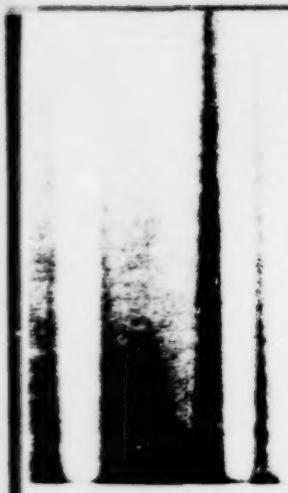
My Ministers were deeply disappointed when the Federal Government announced, in its 1984 Groundfish Management Plan, the provision of a substantial

long-term allocation of Northern cod to vessels and plants located outside Newfoundland and Labrador. Despite the strong opposition of this Province, the Federal Government has implemented this plan notwithstanding the fact that the vessels and plants to which this quota has been allocated have no historic claim to the fishery. Moreover, the Federal Government is proceeding to implement this allocation notwithstanding the fact that this fish is not surplus to the needs of the Newfoundland fishing industry, as clearly indicated by the large number of Newfoundland seasonal plants whose operations continue to be dependent exclusively upon inshore landings. My Government is determined to see that changes to the Management Plan are brought about to assure this Province its rightful share.

In the meantime, my Government also is taking steps to ensure that the people of this Province will be able to participate fully in the development of offshore oil and gas resources.

The Department of Development has introduced an Ocean Industries Assistance Program to enable local firms to participate in all aspects of the offshore industry, especially those of a more technical nature. The Province's exhibits at various international offshore conferences have drawn great interest from oil service companies and such efforts will see significant outside investment flow to the Province. 1983 saw the completion of the syncrolift facility at the St. John's Dry Dock, which is a significant addition to our offshore support capability, and planning is well advanced to create a major new rig repair facility at Marystown.

As the result of a Federal/Provincial cost sharing agreement, work is proceeding on the construction of a new campus for the College of Fisheries, which will be renamed the Institute of Fisheries and Marine Technology and will have a vital and expanding role in the training of workers for the fishing and offshore industries. As the result of federal/provincial co-operation, construction is also



underway on a new Marine Emergencies Duties Training Center on the Foxtrap Access Road, to be operated by the new Institute of Fisheries and Marine Technology. Similarly, other educational institutions, particularly the College of Trades and Technology, are expanding their programs to meet the challenge of offshore development.

The construction of the National Research Council's Ice and Wave Tank facilities at Memorial University is proceeding on schedule. This facility, which will be the finest of its kind in the world, is another project for which my Government has fought hard. The expertise it represents will help create the type of technical environment within this Province which will be needed if we, for the first time in our history, are to be able to participate fully in the development of our marine resources.

Mr. Speaker and Members of the Honourable House of Assembly:

A cornerstone of my Government's philosophy has been and remains to acquire the basic right to manage our resources. Only in that way can our people retain as much as possible of the direct and indirect processing activity within the Province and gain the means to acquire a standard of living comparable to that of their fellow Canadians. That principle remains a cardinal objective and can only be achieved through the rightful control and management of resources by the Government of this Province for and on behalf of the people of Newfoundland and Labrador.

My Ministry invites the continued consideration of the merits of this policy, particularly as it impinges upon current issues, in a substantive manner by this Assembly and the people of the Province generally. Its importance cannot be overstated. There must be subordinated to it all rash approaches based upon

expendiency, whether political, commercial, short term or otherwise. The wisdom of my Government's approach is demonstrated daily by the enormous loss of revenues arising from the Upper Churchill contract. Today, long after the short term jobs and profits provided by that project have been terminated and dissipated, a significant measure of the wherewithal needed to address the legitimate needs of our people flows westward.

These policies of my Government continue to receive the support of people and groups within and without the Province of Newfoundland and Labrador. In a recent publication entitled "The Challenge of Diversity", published last year, The Science Council of Canada endorsed these policies and stated that the Government of this Province:

> ".....must pursue forthright policies which attempt to capture more of the value of resource developments. Such policies may offer the only way for the Province to break out of its cycle of dependency."

Mr. Speaker and Members of the Honourable House of Assembly:

My Government clearly and unequivocally reaffirms these policies. The cycle of dependency must and will be broken. Equalization and transfer payments are not the natural fate of our people within the Canadian Confederation.

I entreat your constructive and deliberate consideration and debate of these issues throughout this Third Session of the Thirty-Ninth General Assembly.